

COMMITTEE ON LEGISLATIVE RESEARCH  
OVERSIGHT DIVISION

**FISCAL NOTE**

L.R. No.: 1244S.03C  
 Bill No.: SCS for HCS for HB 725  
 Subject: Crimes and Punishment; Banks and Financial Institutions; Department of Commerce and Insurance; State Treasurer; Motor Vehicles  
 Type: Original  
 Date: May 3, 2023

Bill Summary: This proposal modifies and creates provisions relating to financial services.

**FISCAL SUMMARY**

<b>ESTIMATED NET EFFECT ON GENERAL REVENUE FUND</b>				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
General Revenue*/**	(\$449,986 to Could exceed \$1,549,986)	(\$268,036 to Could exceed \$1,588,036)	(\$478,548 to Could exceed \$1,798,548)	(\$568,247 to Could exceed \$1,888,247)
<b>Total Estimated Net Effect on General Revenue</b>	<b>(\$449,986 to Could exceed \$1,549,986)</b>	<b>(\$268,036 to Could exceed \$1,588,036)</b>	<b>(\$478,548 to Could exceed \$1,798,548)</b>	<b>(\$568,247 to Could exceed \$1,888,247)</b>

\*The fiscal impact stems from an estimated additional 12 persons (FY '24), 24 persons (FY '25), 35 persons (FY '26), and 43 persons (FY '28) in custody of the Missouri Department of Corrections. Oversight assumes there will not be as many new convictions as estimated by the Department of Corrections; however, we don't have a good basis to make an estimate. Therefore, Oversight will assume "less than" DOC's estimated cost.

\*\* The current cap on the Linked Deposit Program under the Office of the State Treasurer (STO) is \$800 million. This proposal raises it to \$1 billion. According to a 2022 report by the STO, only \$292 million was invested in the program. Therefore, Oversight has ranged the fiscal impact from \$0 (the program may not use monies above the \$800 million cap even with this bill and therefore this would not have an impact), to a potential loss of interest income if the STO had utilized the \$200 million in the Linked Deposit Program and could have earned an additional 2.0% of interest on those monies – broken down between General Revenue and Other Funds.

<b>ESTIMATED NET EFFECT ON OTHER STATE FUNDS</b>				
<b>FUND AFFECTED</b>	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>Fully Implemented (FY 2028)</b>
Other State Funds**	\$0 or More or Less than (\$2,233,333)	\$0 or More or Less than (\$2,680,000)	\$0 or More or Less than (\$2,680,000)	\$0 or More or Less than (\$2,680,000)
Highway	\$0	\$50,882	\$101,760	\$101,760
Motor Vehicle Financial Responsibility Verification and Enforcement	\$0	(Less than \$30,677) to Could exceed \$100,723	(Less than \$61,353) to Could exceed \$201,447	(Less than \$61,353) to Could exceed \$201,447
Missouri Office of Prosecution Services+	\$0	\$0	\$0	\$0
Division of Finance (0550)	\$77,800	\$221,400	\$221,400	\$221,400
<b>Total Estimated Net Effect on Other State Funds</b>	<b>\$77,800 or More or Less than (\$2,155,533)</b>	<b>\$272,282 or More or Less than (\$2,438,395)</b>	<b>\$323,160 or More or Less than (\$2,418,493)</b>	<b>\$323,160 or More or Less than (\$2,418,193)</b>

\*\* The current cap on the Linked Deposit Program under the Office of the State Treasurer (STO) is \$800 million. This proposal raises it to \$1 billion. According to a 2022 report by the STO, only \$292 million was invested in the program. Therefore, Oversight has ranged the fiscal impact from \$0 (the program may not use monies above the \$800 million cap even with this bill and therefore this would not have an impact), to a potential loss of interest income if the STO had utilized the \$200 million in the Linked Deposit Program and could have earned an additional 2.0% of interest on those monies – broken down between General Revenue and Other Funds.

+ Revenue and costs are anticipated to net to zero by the Missouri Office of Prosecution Services.

Numbers within parentheses: () indicate costs or losses.

<b>ESTIMATED NET EFFECT ON FEDERAL FUNDS</b>				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
<b>Total Estimated Net Effect on <u>All</u> Federal Funds</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>

<b>ESTIMATED NET EFFECT ON FULL TIME EQUIVALENT (FTE)</b>				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
General Revenue	0 FTE	0 FTE	1 FTE	1 FTE
<b>Total Estimated Net Effect on FTE</b>	<b>0 FTE</b>	<b>0 FTE</b>	<b>1 FTE</b>	<b>1 FTE</b>

- Estimated Net Effect (expenditures or reduced revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.
- Estimated Net Effect (savings or increased revenues) expected to exceed \$250,000 in any of the three fiscal years after implementation of the act or at full implementation of the act.

<b>ESTIMATED NET EFFECT ON LOCAL FUNDS</b>				
FUND AFFECTED	FY 2024	FY 2025	FY 2026	Fully Implemented (FY 2028)
<b>Local Government</b>	<b>\$0 or Unknown</b>	<b>\$16,960 or Unknown to (Unknown)</b>	<b>\$33,920 or Unknown to (Unknown)</b>	<b>\$33,920 or Unknown to (Unknown)</b>

## FISCAL ANALYSIS

### ASSUMPTION

**Oversight** was unable to receive some of the agency responses in a timely manner due to the short fiscal note request time. Oversight has presented this fiscal note on the best current information that we have or on prior year information regarding a similar bill. Upon the receipt of agency responses, Oversight will review to determine if an updated fiscal note should be prepared and seek the necessary approval to publish a new fiscal note.

### §30.753 – State Treasurer’s ability to invest

Officials from the **Office of the State Treasurer (STO)** did not respond to their request for fiscal impact. However, in response to SB 599 (2020), the last time the Linked Deposit program cap was raised (from \$720 million to the current \$800 million) the STO stated that total state revenue will decrease because linked deposit loans earn less in interest than other options that the State Treasurer has to invest in as a result of this proposal.

**Oversight** notes, according to a 2022 report issued by the STO (MO BUCK\$, Linked Deposits for small businesses, farms and communities), the following is a summary of Missouri Linked Deposit Program by Year:

2022	\$292,092,410
2021	\$281,472,076
2020	\$437,486,163
2019	\$522,047,970

Per the report, *“The program has entered another growth cycle with the rising interest rates experienced in 2022. After rolling back some the changes we had to make in prior years to slow the explosive growth, the program slowed dramatically when interest rates neared record low levels. With interest rates once again on the rise, volume has picked up significantly this year.”*

The report noted the current breakout for the Linked Deposit Program as follows:

Small Business Program	\$82,359,363
Job Enhancement Program	\$0
Alternative Energy Program	\$0
Agriculture Program	\$201,383,185
Local Government Program	\$0
Multi-Family Housing Program	<u>\$8,349,862</u>
<b>Total Active Deposits</b>	<b>\$292,092,410</b>

In assessing the fiscal impact, in 2020 of increasing the cap, the STO estimated a loss of revenue as:

*Average 5 year agency bond: 3.00 callable or 2.75 bullet = Average of 2.875% the state earns  
Average yield on linked deposit is .668%  
Opportunity cost (loss) is 2.207% (2.875% - 0.668%)*

**Oversight** notes the market has changed considerably in three years since this response was provided by the STO. However, for fiscal impact calculations, Oversight will assume an opportunity cost (loss) for the additional monies earmarked and utilized in the Linked Deposit Program of 2.0%

$\$200,000,000 (\$800M - \$1B) \times 2\% = \mathbf{\$4,000,000}$ .

At January 31, 2023, the balances of General Revenue and all other state treasury funds were:

General Revenue:	\$5,609,026,200	33%
All other state funds:	<u>\$11,351,844,912</u>	67%
TOTAL	\$16,960,871,112	

General Revenue	\$1,320,000 (33% x \$4M)
Other State Funds	<u>\$2,680,000</u> (67% x \$4M)
TOTAL	<b>\$4,000,000</b>

Oversight notes that increasing the allocation for Linked Deposits could result in a decrease to state revenues given that there are investments with higher interest rates of return that the STO could take advantage of. The interest rate environment with lending institutions will not be constant and Oversight is unable to determine the amount of businesses that would utilize the Linked Deposit program in the future. Therefore, Oversight will reflect a loss to general revenue of up to \$1,320,000 and a loss to other state funds of up to \$2,680,000.

Oversight also notes there is potential savings to local political subdivisions if they choose to utilize the Linked Deposit Program. Therefore, Oversight will reflect an unknown positive fiscal impact to political subdivisions to the extent they avail themselves of up to \$200 million in increased linked deposit authority.

Oversight notes this increase in the Linked Deposit program may have positive benefits to the various Missouri businesses and entities that utilize the program. Oversight considers these benefits to be indirect impacts and have not reflected them in the fiscal note.

Oversight notes the amount of linked deposits per the MOBUCK\$ report as of 2022 (\$292,092,410) is far from the current cap of \$800 million. Therefore, Oversight will assume the STO may not utilize the new \$200M of cap space provided by this bill. Therefore, Oversight will reflect the fiscal impact as \$0 (increasing the cap does not impact the amount of linked deposits made) to the estimates provided above.

§§303.039, 303.041, 303.420, 303.422, 303.425, 303.430, and 303.440 – Financial responsibility

In response to similar legislation from 2023 (SB 263), officials from the **Department of Revenue (DOR)** assumed the following regarding this proposal:

*Administrative Impact*

The proposal requires the Department to establish and maintain a web-based system for online insurance verification. The system's goal is to identify uninsured motorists in the most effective way. To establish the objectives, details, and deadlines for the system, the Department must create an advisory council, which consists of representatives from the insurance industry who will also serve as voting members. To implement and enforce the program and to require real-time reporting, administrative rules will be promulgated.

The proposal allows the Department to contract or consult with a third-party vendor who has implemented a similar program in other states to create the web-based system if the Missouri Office of Prosecution Services declines to enter into the contract; however, there is no initial funding provided in the proposal to fund a third-party vendor. As such, OA-ITSD will be responsible for the development, implementation, and maintenance of the system, unless funding becomes available. The OA-ITSD cost will be shown later in this response.

An online "real-time" insurance verification system will allow law enforcement to verify compliance with the Financial Responsibility Law at the time of roadside-traffic stops and motor vehicle crash investigations. This will result in an increase in the number of "no insurance" citations being issued by law enforcement to motor vehicle operators or owners. Missouri currently has approximately 7.1 million registered vehicles. The uninsured vehicle rate in Missouri is believed to be approximately 13 percent.

This equates to 923,000 uninsured vehicles possibly being operated on Missouri roadways, not including out-of-state vehicles. It is unclear how many citations will be issued annually and of those, how many will result in a court conviction. According to statistics maintained by the Missouri Attorney General's Office, in 2019, there were 1,524,640 traffic stops in this state. This shows 21% of the motor vehicles registered are stopped annually ( $1,524,640/7,100,000 = 21\%$ ). This may result in the Department receiving 193,830 convictions ( $923,000 \times 21\%$ ) annually.

A court sends the conviction either electronically or by paper to the Department to post to the driver record and assess four points. (§303.025.3). The Department currently receives approximately 14% of all traffic convictions by paper ( $193,830 \times 14\% = 27,136$ ). An Associate Customer Service Representative (ACSR) can key 350 paper convictions daily.

27,136	Number of paper convictions received annually
<u>\ 252</u>	Number of working days per year
108	Convictions received daily
<u>\ 350</u>	Convictions processed per day
<b>0.31</b>	

This process will be absorbed by current FTEs. If the increase is more significant than anticipated or additional laws are passed that impact the staff who process these court orders, additional FTEs may be requested through the appropriations process.

The Department is required to issue point warning notices when a person accumulates four points on their driver record. No insurance convictions result in the assessment of four points. As such, each of these convictions will result in a point warning notice or a suspension notice for those individuals who have already accumulated points on their record prior to this point assessment.

193,830	Number of notices issued by the Department
<u>X \$.038</u>	Cost per letter
\$7,366	Total Annual Cost for letter
<u>\ 2</u>	Half of FY 2025 after law becomes effective
<b>\$3,683</b>	<b>FY 2025 Letter Cost (6 months only)</b>
<b>\$7,366</b>	<b>FY 2026 Letter Cost</b>
<b>\$7,366</b>	<b>FY 2027 Letter Cost</b>

193,830	Number of envelopes issued by the Department
<u>X \$.068</u>	Cost per envelope
\$13,180	Total Annual Cost for envelopes
<u>\ 2</u>	Half of FY 2025 after law becomes effective
<b>\$6,590</b>	<b>FY 2025 Envelope Cost (6 months only)</b>
<b>\$13,180</b>	<b>FY 2026 Envelope Cost</b>
<b>\$13,180</b>	<b>FY 2027 Envelope Cost</b>

193,830	Number of notices issued by the Department
<u>X \$.55</u>	Cost for postage
\$106,607	Total Annual Cost for postage
<u>\ 2</u>	Half of FY 2025 after law becomes effective
<b>\$ 53,304</b>	<b>FY 2025 Postage Cost (6 months only)</b>
<b>\$106,607</b>	<b>FY 2026 Postage Cost</b>
<b>\$106,607</b>	<b>FY 2027 Postage Cost</b>

In summary, **Oversight** notes the following costs for mailings:

	<b>FY 2024</b>	<b>FY 2025 (6 Mos.)</b>	<b>FY 2026</b>
<b>Mailings</b>	\$0	\$63,577	\$127,153

**DOR** notes this online system will also allow the Department and contract offices to verify insurance at the time a vehicle is registered or a registration is renewed both in-person and online. The registration or renewal will be denied if insurance is not confirmed.

The proposal allows the Department to suspend registration of a vehicle if it has reason to believe a vehicle is uninsured. Currently, the Department enforces compliance with the insurance law in the following ways:

- If an owner fails to show proof of insurance at the time of registration, registration or renewal of registration is denied;
- A no insurance conviction assesses four points to a driver or owners driving record; and
- If an uninsured driver and owner are involved in an accident and it is reported to the Department pursuant to §303.040, the driver's operating privilege and the owner's vehicle registration is suspended.

The court also has the ability to enter an order suspending the driving privilege, pursuant to §303.025.3. In CY 2022, the Department received four court-ordered suspensions. The Department does not have available data to determine an estimated volume of increase, but assumes it will be minimal enough to be absorbed by current FTE. If the increase is more significant than anticipated or additional laws are passed that impact the staff who process these court orders, additional FTE may be requested through the appropriations process.

The Department has no data that would help to determine how much of an increase in hearing requests the Department will receive, but assumes it will not cause additional FTE. If the increase in hearing requests is more significant than anticipated or additional laws are passed that affect the staff who mediate these hearings, additional FTE may be requested through the appropriations process.

**Oversight** assumes DOR is provided with core funding to handle a certain amount of activity each year. Oversight assumes DOR could absorb the costs related to this proposal. If multiple bills pass which require additional staffing and duties at substantial costs, DOR could request funding through the appropriation process.

To implement the proposed legislation, **DOR** states it will be required to:

- Perform programming changes and testing of the web-based online insurance system for a minimum of nine months, per bill provisions
- Create forms
- Update Department's website
- Update Driver Guide
- Draft internal and external procedures
- Create an Advisory Council to establish the objectives, details, and deadlines for the system
- Draft Administrative Rules



FY 2025 – Driver License Bureau (DLB)

Associate Research/Data Analyst	450 hrs. @ \$20.54 per hr. = \$9,243
Research/Data Analyst	175 hrs. @ \$25.63 per hr. = \$4,485
Administrative Manager	60 hrs. @ \$27.82 per hr. = <u>\$1,669</u>
	<b>\$15,397</b>

This legislation will result in an unknown increase in hearings the Department will conduct in regards to appeals. If the increase in hearings is significant, the Department will request additional FTE through the appropriations process.

**Oversight** will reflect an “Unknown” cost to DOR for the administration of Sections 303.420 to 303.440, RSMo, in the Motor Vehicle Financial Responsibility Verification and Enforcement Fund.

**Oversight** assumes DOR will use existing staff and will not hire additional FTE to conduct these activities; therefore, Oversight will not reflect the administrative costs DOR has indicated on the fiscal note.

**DOR** notes OA-ITSD services will be required at a cost of **\$354,996** in FY 2024 (3,736.80 hours x \$95 per hour) and **\$35,500** in FY 2025 and FY 2026 (373.68 hours x \$95 per hour).

**Oversight** does not have any information to the contrary in regards to DOR’s assumptions; therefore, Oversight will reflect DOR’s OA-ITSD costs on the fiscal note.

Revenue Impact

**DOR** states if a no insurance conviction subsequently results in a point accumulation suspension, the individual will be required to pay a \$20 reinstatement fee. With a presumption that 10% of all convictions received will result in a suspension, the reinstatement fees collected would be:

193,830	Number of annual convictions
<u>X 10%</u>	presumed percent of suspensions
19,383	Number of annual point suspensions
<u>X 35%</u>	Percent that reinstate annually
6,784	Number of annual reinstatements from these suspensions
<u>X \$20</u>	Reinstatement fee per suspension
\$135,680	Reinstatement fees collected annually
<u>\ 12</u>	Number of months in a year
\$11,307	Increase in reinstatement fees collected monthly
<u>X 6</u>	Number of months in FY 2025 after law becomes effective
<b>\$67,842</b>	<b>Fees Collected in FY 2025 (6 months only)</b>

Fees collected will be distributed 75% Highway Fund, 15% Cities, and 10% Counties.

FY 2025

\$67,842 x 75% = \$50,882 Highway Fund  
\$67,842 x 15% = \$10,176 Cities  
\$67,842 x 10% = \$ 6,784 Counties

FY 2026

\$135,680 x 75% = \$101,760 Highway Fund  
\$135,680 x 15% = \$20,352 Cities  
\$135,680 x 10% = \$13,568 Counties

FY 2026

\$135,680 x 75% = \$101,760 Highway Fund  
\$135,680 x 15% = \$20,352 Cities  
\$135,680 x 10% = \$13,568 Counties

The fiscal impact estimated above is based on changes in the current Department’s Motor Vehicle and Driver Licensing system environment. The implementation of this legislation will be coordinated with the integration of the Department’s Motor Vehicle and Driver Licensing software system approved and passed by the General Assembly in 2020 (Senate Bill 176). To avoid duplicative technology development and associated costs to the state, it is recommended a delayed effective date be added to this bill to correlate with the installation of the new system.

**Oversight** also notes this proposal creates the “Motor Vehicle Financial Responsibility Verification and Enforcement Fund”, which shall consist of money collected under Sections 303.420 to 303.440, RSMo. Oversight notes fees from the pretrial diversion program being established will be deposited into this fund.

**Oversight** notes the following misdemeanor convictions for violations of §303.025:

FY 2022	7,573
FY 2021	6,478
<u>FY 2020</u>	<u>5,662</u>
Average	6,571

There is no way to determine how much revenue will be collected as a result of this provision; however, Oversight will estimate that 5% to 25% of violators will participate in the diversion program.

$6,571 \times 5\% = 329 \times \$200$  (diversion participation fee) = \$65,800  
 $6,571 \times 25\% = 1,643 \times \$200$  (diversion participation fee) = \$328,600

**Oversight** notes because this is a diversion program, offenders may choose this option instead of paying a normal fine, which will result in a decrease in fine revenue to schools; therefore,

Oversight will reflect an “Unknown” loss to schools. For simplicity, Oversight will not reflect the possibility that fine revenue paid to school districts may act as a subtraction in the foundation formula in following years.

In response to similar legislation from 2023 (SB 263), officials from the **Missouri Office of Prosecution Services (MOPS)** assumed the following regarding this proposal:

If as contemplated in the bill, DOR enters into an agreement with MOPS to administer the financial responsibility enforcement and compliance incentive diversion program created in Section 303.425 [much like the MOPS equivalent in Oklahoma does] there will be fiscal impact.

First, there will be a positive fiscal impact to MOPS from its share of the diversion fees collected but that amount is not able to be determined at this time. The positive financial impact will depend on the number of diversion cases and the amount of the diversion fee MOPS is allowed to retain for administering the diversion program. At a minimum, based on the success of the Oklahoma program, the positive fiscal impact should cover the cost of administering the diversion program and further replace revenue lost from significantly reduced bad checks restitution which has severely declined over the past decade, which in turn has significantly reduced the amount of revenue available to adequately fund the office in serving the state's prosecutors and circuit attorney.

Second, while MOPS plans on developing and implementing the diversion program with existing staff including the two FTEs (deputy general counsel and paralegal) added in the FY 2023 budget, there is the possibility of the need to add additional staff. MOPS will evaluate whether additional staff is needed at the end of the first year of implementation of the diversion program.

**Oversight** notes that the proposal allows DOR to enter into an agreement with a third party other than MOPS to administer the diversion program. For fiscal note purposes Oversight will assume DOR will enter into an agreement with MOPS and will reflect an “Unknown” increase in revenue for diversion fees and a “\$0 or Unknown” cost to MOPS for administering the program.

In response to similar legislation from 2023 (SB 263), officials from the **Department of Commerce and Insurance, Department of Corrections, Missouri Highway Patrol, Missouri Department of Transportation, Office of the State Courts Administrator and Office of the State Public Defender** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a similar proposal from 2022 (SCS for SB 783), officials from the **Office of the State Treasurer** assumed the proposal would have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for STO.

In response to similar legislation from 2023 (SB 263), officials from the **Phelps County Sheriff, Kansas City Police Department, St. Joseph Police Department** and **St. Louis County Police Department** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

**Oversight** only reflects the responses received from state agencies and political subdivisions; however, other law enforcement agencies were requested to respond to this proposed legislation but did not. A listing of political subdivisions included in the Missouri Legislative Information System (MOLIS) database is available upon request.

§§361.020 - 408.500 – Division of Finance Provisions

In response to similar legislation from 2023 (Perfected SCS SB 13), officials from the **Department of Commerce and Insurance (DCI)** stated the changes to 361.715.2 and 361.715.3 increase the annual license fee and amended license fee for the sale of checks/money transmitters by \$100 per license or amended license. The license year for these lenders runs from April 15 through April 14; therefore, DOF anticipates an increase in revenue of \$18,700 beginning with licenses and amended licenses issued on or after April 15, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 364.030.3 increases the annual license fee for financing companies by \$100 per license. The license year for these lenders runs from January 1 through December 31; therefore, DOF anticipates an increase in revenue of \$6,300 beginning with licenses issued on or after January 1, 2024. Though the statute states the fees collected would be deposited into the general revenue fund, pursuant to 361.170.4, RSMo, which supersedes this older section, all consumer licensing fees are credited to the Division of Finance Fund and have been since 1991 as would the increase in these annual licensing fees.

The change to 364.105.2 increases the annual license fee for premium financing companies by \$100 per license. The license year for these lenders runs from July 1 through June 30; therefore, DOF anticipates an increase in revenue of \$5,200 beginning with licenses issued on or after July 1, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 365.030.3 increases the annual license fee for motor vehicle financing companies by \$100 per license. The license year for these lenders runs from January 1 through December 31; therefore, DOF anticipates an increase in revenue of \$17,400 beginning with licenses issued on or after January 1, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 367.140.1 increases the annual license fee for small loan and consumer installment lenders by \$100 per license. The license year for these lenders runs from July 1 through June 30; therefore, DOF anticipates an increase in revenue of \$131,500 beginning with licenses issued on or after July 1, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 407.640.5 increases the annual license fee for credit service organizations by \$100 per license. The license year for these lenders runs from July 1 through June 30; therefore, DOF anticipates an increase in revenue of \$6,900 beginning with licenses issued on or after July 1, 2024. This revenue would be deposited into the Division of Finance Fund.

The change to 408.500.1 increases the annual license fee for pay day lenders by \$100 per license. The license year for these lenders runs from January 1 through December 31; therefore, DOF anticipates an increase in revenue of \$35,400 beginning with licenses issued on or after January 1, 2024. This revenue would be deposited into the Division of Finance Fund.

For the purposes of this estimate, DOF assumes the number of each of these types of lenders will remain flat in the next three years. Listed below are the projected number of licenses and amendments for each type of lender and the amount of revenue each is expected to generate based on these fee changes.

**CONSUMER LICENSE LENDERS BY TYPE WITH PROJECTED REVENUE**

RSMo.	Type of License	ACTUAL LICENSES			PROJECTED LICENSES				License Year Start Date	ESTIMATED REVENUE		
		FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026		FY 2024	FY 2025	FY 2026
361.715.2	Sale of Checks/Money Transmitters	162	176	182	182	182	182	182	April 15	\$18,200	\$18,200	\$18,200
361.715.3	Amended Sale of Checks	7	10	5	5	5	5	5		\$500	\$500	\$500
364.030.3	Financing Company	86	60	63	63	63	63	63	January 1	\$6,300	\$6,300	\$6,300
364.105.2	Premium Financing Company	53	53	53	53	53	52	52	July 1	\$5,200	\$5,200	\$5,200
365.030.3	Motor Vehicle Finance Company	170	185	191	174	174	174	174	January 1	\$17,400	\$17,400	\$17,400
367.140.1	Small Loans	398	434	425	425	425	425	425	July 1	\$42,500	\$42,500	\$42,500
367.140.1	Consumer Installment Loans	927	917	890	890	890	890	890	July 1	\$89,000	\$89,000	\$89,000
407.640.5	Credit Service Organizations	48	51	69	69	69	69	69	July 1	\$6,900	\$6,900	\$6,900
408.500.1	Pay Day Loans	567	421	354	354	354	354	354	January 1	\$35,400	\$35,400	\$35,400
Total		2,418	2,307	2,232	2,215	2,215	2,214	2,214		\$77,800	\$221,400	\$221,400

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect the estimated revenue by DCI generated by proposal to the Division of Finance Fund (0550).

Officials from the **Branson Police Department** and the **St. Louis County Police Department** each assume the proposal would not fiscally impact their respective departments.

In response to similar legislation from 2023 (Perfected SCS SB 13), officials from the **Department of Public Safety - Missouri Highway Patrol**, the **Office of the State Public Defender** and the **Missouri Office of Prosecution Services** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies.

In response to a previous version, officials from the **Office of the State Courts Administrator** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for OSCA.

§362.034 – Financial institutions

In response to similar legislation from 2023 (Perfected SB 63), officials from the **Department of Revenue (DOR)** stated this proposal would authorize state and local licensing authorities and agencies, including the MO Department of Revenue, to share the application, license, or other regulatory and financial information of a marijuana facility with a banking institution and the banking institution's state and federal supervisory agencies. It would also require that, in making a request for such information to be shared, the marijuana facility must include a waiver giving authorization to transfer individualized data, information, or records.

The proposal would likely impact DOR by resulting in requests for, and potentially the sharing of, financial and other information by DOR concerning marijuana facilities. If this proposal is meant to have DOR disclose confidential tax information received by DOR and protected by Section 32.057 this could result in unknown fiscal impact to the Department. Section 32.057, is a criminal statute, and prohibits the disclosure of confidential tax information.

The proposal may result in employees of DOR being asked to share certain information with banking institutions to facilitate financial services for a business involved in marijuana distribution. Conspiracy to distribute marijuana remains a federal crime. This could increase the risk of criminal penalties for DOR employees. This proposal could result in an unknown fiscal impact to DOR.

**Oversight** assumes because the potential for litigation is speculative that DOR will not incur significant cost related to this proposal; therefore, Oversight will not reflect a fiscal impact as result of this proposal.

In response to similar legislation from 2023 (Perfected SB 63), officials from **Kansas City** stated this legislation could have a small negative fiscal impact on the city in an indeterminate amount because of the administrative expenses.

**Oversight** assumes Kansas City is provided with core funding to handle a certain amount of activity each year. Oversight assumes Kansas City could absorb the costs related to this proposal.

In response to similar legislation from 2023 (Perfected SB 63), officials from the **Department of Commerce and Insurance**, the **Department of Natural Resources**, the **Department of Public Safety - Missouri Highway Patrol**, the **Missouri Department of Agriculture**, the **Missouri Department of Transportation** and the **City of Springfield** each assumed the proposal will have no fiscal impact on their respective organizations.

In response to a previous version, officials from the **Department of Health and Senior Services** and the **City of O'Fallon** each assumed the proposal will have no fiscal impact on their respective organizations. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact on the fiscal note for this section.

Sections 436.550 – 436.580- Consumer Legal Funding Model Act

In response to similar legislation from 2023 (SB 342), officials from the **Department of Commerce and Insurance (DCI) – Division of Finance (DOF)** stated DOF currently licenses and regulates these types of businesses under Chapter 367. As these businesses transition to new licenses under Sections 436.550-436.570, DOF estimates 10-15 licenses would move from Chapter 367 to Chapter 436.

DOF assumes the following:

Section 436.570.2 requires an initial application fee of \$500 and an annual license renewal fee \$500. For the purposes of this estimate, DOF has assumed the same number of businesses would participate in this program as are currently licensed under Chapter 367 which would generate revenue of \$5,000 - \$7,500 annually, which would be credited to the Division of Finance Fund (0550).

Sections 436.571-436.580 provide for the licensing of Civil Litigation Financing companies DOF. DOF cannot provide an estimate of the number of companies that may file for this type of license. Section 436.572.3 requires an initial application fee of \$550 and an annual license renewal fee \$550. This fiscal estimate is based on one company licensed under these sections. Each licensee would be subject to an examination by DOF every two years. DOF assumes that these exams would be divided so that one-half of the licensees would be examined each year. Examinations are estimated to take 8.53-9.53 hours at an hourly rate of \$85.00 per hour for personal services and expenses. For 5-8 examinations per year, the estimated cost is (\$4,050-\$5,800).

Processing of applications and licenses and overhead costs are estimated at \$150 per license. For 10-15 licensees, the estimated annual cost is (\$1,500-\$2,250). Additional hours and costs would be necessary if hearings are requested for either type of license. For the purposes of this estimate, DOF assumes there would be no hearings required for Consumer Legal Funding nor Consumer Litigation Financing Act Licensees.

DOF is allowed to impose administrative fines of up to \$1,000 on Consumer Legal Funding companies that knowingly and willfully violate these sections. For the purposes of this estimate, DOF assumes there will be no violations of these sections. DOF assumes the workload for Sections 436.550-436.570 would be shifted to existing staff, replacing the workload lost from Chapter 367 licenses and paid by the Division of Finance Fund (0550).

Listed below is a summary of expenses to the Division of Finance Fund as estimated by DCI-DOF:

<b>Expenses</b>	
Chapter 367 Licenses	(\$5,000) – (\$7,000)
Chapter 367 Exams	\$3,801 - \$5,322

Chapter 367 Administration	\$1,199 - \$2,178
Chapter 436 Licenses – Consumer Legal Funding	\$5,000 - \$7,000
Chapter 436 Licenses – Consumer Litigation Financing	\$550
Chapter 436 Exams	(\$4,050) – (\$5,800)
Chapter 436 Administration	(\$1,500) – (\$2,250)
<b>Net Effect</b>	<b>\$0</b>

**Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a revenue of \$5,000 to \$7,000 and a cost of \$5,000 to \$7,000 that nets to a zero fiscal impact to the Division of Finance Fund (0550).

In response to a similar bill from this year (HB 628), officials from the **Attorney General’s Office** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for the AGO.

§§569.100 and 570.030 – Teller machines

In response to a previous version, officials from the **Department of Corrections (DOC)** stated this proposal modifies and establishes offenses involving teller machines.

Section 569.100 makes the offense of property damage in the first degree a class D felony; unless the purpose is to defraud or obtain any property with a value exceeding \$750, or the damage to the teller machine exceeds \$750, in which case is a class C felony. The offense of obtaining personal financial credentials of another person, or second and subsequent violations, is a class B felony.

Section 570.030 makes the offense of stealing a teller machine (or the contents of including cash, regardless of the amount) is a class C felony.

The intent of the bill is to create one class B felony, two class C felonies and one class D felony.

Given the seriousness of class B felony offenses and that the introduction of a completely new class B felony offense is a rare event, the department assumes the admission of one person per year to prison following the passage of the legislative proposal.

Offenders committed to prison with a class B felony as their most serious sentence had an average sentence length of 9.0 years and served, on average, 3.4 years in prison prior to first release. The department assumes one third of the remaining sentence length will be served in



prison as a parole return, and the rest of the sentence will be served on supervision in the community.

The cumulative impact on the department is estimated to be 5 additional offenders in prison and 0 additional offenders on field supervision by FY 2028.

**Change in prison admissions and probation openings with legislation-Class B Felony**

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	1	1	1	1	1	1	1	1	1	1
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	0	0	0	0	0	0	0	0	0	0
<b>Change (After Legislation - Current Law)</b>										
Admissions	1	1	1	1	1	1	1	1	1	1
Probations										
<b>Cumulative Populations</b>										
Prison	1	2	3	4	5	5	5	5	5	5
Parole						1	2	3	4	4
Probation										
<b>Impact</b>										
Prison Population	1	2	3	4	5	5	5	5	5	5
Field Population						1	2	3	4	4
<b>Population Change</b>	<b>1</b>	<b>2</b>	<b>3</b>	<b>4</b>	<b>5</b>	<b>6</b>	<b>7</b>	<b>8</b>	<b>9</b>	<b>9</b>

For one new nonviolent class D felony, the department estimates three people could be sentenced to prison and five to probation. The average sentence for a nonviolent class D felony offense is 5 years, of which 2.8 years will be served in prison with 1.7 years to first release. The remaining 2.2 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 8 additional offenders in prison and 16 additional offenders on field supervision by FY 2026.

**Change in prison admissions and probation openings with legislation-Two Class D Felonies (nonviolent)**

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	3	3	3	3	3	3	3	3	3	3
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	5	5	5	5	5	5	5	5	5	5
<b>Change (After Legislation - Current Law)</b>										
Admissions	3	3	3	3	3	3	3	3	3	3
Probations	5	5	5	5	5	5	5	5	5	5
<b>Cumulative Populations</b>										
Prison	3	6	8	8	8	8	8	8	8	8
Parole	0	0	1	4	7	7	7	7	7	7
Probation	5	10	15	15	15	15	15	15	15	15
<b>Impact</b>										
Prison Population	3	6	8	8	8	8	8	8	8	8
Field Population	5	10	16	19	22	22	22	22	22	22
<b>Population Change</b>	<b>8</b>	<b>16</b>	<b>24</b>	<b>27</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>	<b>30</b>

For two new class C felonies, the department estimates 8 people could be sentenced to prison and 12 to probation. The average sentence for a class C felony offense is 6.9 years, of which 3.7 years will be served in prison with 2.1 years to first release. The remaining 3.2 years will be on parole. Probation sentences will be 3 years.

The cumulative impact on the department is estimated to be 30 additional offenders in prison and 54 additional offenders on field supervision by FY 2029.

**Change in prison admissions and probation openings with legislation-Three Class C Felonies**

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	8	8	8	8	8	8	8	8	8	8
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	12	12	12	12	12	12	12	12	12	12
<b>Change (After Legislation - Current Law)</b>										
Admissions	8	8	8	8	8	8	8	8	8	8
Probations	12	12	12	12	12	12	12	12	12	12
<b>Cumulative Populations</b>										
Prison	8	16	24	30	30	30	30	30	30	30
Parole	0	0	0	2	10	18	26	26	26	26
Probation	12	24	36	36	36	36	36	36	36	36
<b>Impact</b>										
Prison Population	8	16	24	30	30	30	30	30	30	30
Field Population	12	24	36	38	46	54	62	62	62	62
<b>Population Change</b>	<b>20</b>	<b>40</b>	<b>60</b>	<b>68</b>	<b>76</b>	<b>84</b>	<b>92</b>	<b>92</b>	<b>92</b>	<b>92</b>

The combined cumulative impact of one new class B felony, two new class C felonies, and one new class D felony on the department is estimated to be 43 additional offenders in prison and 68 additional offenders on field supervision by FY2028.

Change in prison admissions and probation openings with legislation

	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029	FY2030	FY2031	FY2032	FY2033
<b>New Admissions</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	12	12	12	12	12	12	12	12	12	12
<b>Probation</b>										
Current Law	0	0	0	0	0	0	0	0	0	0
After Legislation	17	17	17	17	17	17	17	17	17	17
<b>Change (After Legislation - Current Law)</b>										
Admissions	12	12	12	12	12	12	12	12	12	12
Probations	17	17	17	17	17	17	17	17	17	17
<b>Cumulative Populations</b>										
Prison	12	24	35	42	43	43	43	43	43	43
Parole	0	0	1	6	17	26	35	36	37	37
Probation	17	34	51	51	51	51	51	51	51	51
<b>Impact</b>										
Prison Population	12	24	35	42	43	43	43	43	43	43
Field Population	17	34	52	57	68	77	86	87	88	88
<b>Population Change</b>	<b>29</b>	<b>58</b>	<b>87</b>	<b>99</b>	<b>111</b>	<b>120</b>	<b>129</b>	<b>130</b>	<b>131</b>	<b>131</b>

	# to prison	Cost per year	Total Costs for prison	Change in probation & parole officers	Total cost for probation and parole	# to probation & parole	Grand Total - Prison and Probation (includes 2% inflation)
Year 1	12	(\$9,499)	(\$94,990)	0	\$0	17	(\$94,990)
Year 2	24	(\$9,499)	(\$232,536)	0	\$0	34	(\$232,536)
Year 3	35	(\$9,499)	(\$345,897)	1	(\$97,151)	52	(\$443,048)
Year 4	42	(\$9,499)	(\$423,377)	1	(\$89,668)	57	(\$513,045)
Year 5	43	(\$9,499)	(\$442,127)	1	(\$90,620)	68	(\$532,747)
Year 6	43	(\$9,499)	(\$450,970)	1	(\$91,584)	77	(\$542,554)
Year 7	43	(\$9,499)	(\$459,989)	1	(\$92,558)	86	(\$552,547)
Year 8	43	(\$9,499)	(\$469,189)	1	(\$93,544)	87	(\$562,733)
Year 9	43	(\$9,499)	(\$478,572)	1	(\$94,541)	88	(\$573,113)
Year 10	43	(\$9,499)	(\$488,144)	1	(\$95,551)	88	(\$583,695)

If this impact statement has changed from statements submitted in previous years, it could be due to an increase/decrease in the number of offenders, a change in the cost per day for institutional offenders, and/or an increase in staff salaries.

If the projected impact of legislation is less than 1,500 offenders added to or subtracted from the department's institutional caseload, the marginal cost of incarceration will be utilized. This cost of incarceration is \$26.024 per day or an annual cost of \$9,499 per offender and includes such costs as medical, food, and operational E&E. However, if the projected impact of legislation is 1,500 or more offenders added or removed to the department's institutional caseload, the full cost of incarceration will be used, which includes fixed costs. This cost is \$87.46 per day or an annual cost of \$31,921 per offender and includes personal services, all institutional E&E,

medical and mental health, fringe, and miscellaneous expenses. None of these costs include construction to increase institutional capacity.

DOC's cost of probation or parole is determined by the number of P&P Officer II positions that are needed to cover its caseload. The DOC average district caseload across the state is 51 offender cases per officer. An increase/decrease of 51 cases would result in a cost/cost avoidance equal to the salary, fringe, and equipment and expenses of one P&P Officer II. Increases/decreases smaller than 51 offender cases are assumed to be absorbable.

In instances where the proposed legislation would only affect a specific caseload, such as sex offenders, the DOC will use the average caseload figure for that specific type of offender to calculate cost increases/decreases.

**Oversight** does not have any information contrary to that provided by DOC. However, Oversight assumes the number of new prisoners detained for these charges will not reach the estimate provided by DOC, but we don't have an estimate of the number of new convictions. Therefore, Oversight will reflect the fiscal impact as "less than" DOC's estimated impact for fiscal note purposes.

In response to similar legislation from 2022 (SCS SB 831), officials from the **Office of the State Public Defender (SPD)** stated the proposed legislation creates the offense of tampering with a teller machine, in violation of Section 569.100, and therefore, could increase the number of persons who are eligible for representation by the State Public Defender (SPD). The fiscal impact of this legislation on the SPD is unknown as the number of additional cases eligible for representation as the result of the legislation is unknown, but it is anticipated that any increase would be less than \$250,000.

**Oversight** notes in FY22 the SPD was appropriated moneys for 53 additional FTE. Oversight assumes this proposal will create a minimal number of new cases and that the SPD can absorb the additional caseload required by this proposal with current staff and resources. Therefore, Oversight will reflect no fiscal impact to the SPD for fiscal note purposes. However, if multiple bills pass which require additional staffing and duties, the SPD may request funding through the appropriation process.

In response to a previous version, officials from the **Attorney General's Office**, the **Department of Commerce and Insurance**, the **Department of Public Safety - Missouri Highway Patrol**, and the **Missouri Office of Prosecution Services** assumed the proposal will have no fiscal impact on their respective organizations.

In response to previous version, officials from the **Office of the State Courts Administrator** assumed the proposal will have no fiscal impact on their organization. **Oversight** does not have any information to the contrary. Therefore, Oversight will reflect a zero impact in the fiscal note for these agencies for these sections.

<u>FISCAL IMPACT – State Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
<b>GENERAL REVENUE</b>				
<u>Cost – DOR</u> (§§303.420 to 303.440) OA-ITSD services p.6-10	(\$354,996)	(\$35,500)	(\$35,500)	(\$35,500)
<u>Cost – DOC</u> (§§569.100 and 570.030) p. 17-21				
Personal service	\$0	\$0	(\$50,345)	(\$51,357)
Fringe benefits	\$0	\$0	(\$34,734)	(\$35,433)
Equipment and expense	\$0	\$0	(\$12,072)	(\$3,830)
Increased incarceration costs	(\$94,990)	(\$232,536)	(\$345,897)	(\$442,127)
<b>Total cost - DOC</b>	<b>(\$94,990)</b>	<b>(\$232,536)</b>	<b>(\$443,048)</b>	<b>(\$532,747)</b>
FTE Change - DOC	0 FTE	0 FTE	1 FTE	1 FTE
<u>Transfer Out –</u> (§§303.420 to 303.440) To the Motor Vehicle Financial Responsibility Verification and Enforcement Fund	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<u>Loss (§30.753)</u> Opportunity for higher returns STO – if additional monies are utilized in the Linked Deposit Program p.4-5	\$0 or More or Less than (\$1,100,000)	\$0 or More or Less than (\$1,320,000)	\$0 or More or Less than (\$1,320,000)	\$0 or More or Less than (\$1,320,000)

<u>FISCAL IMPACT – State Government – (cont)</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
<b>ESTIMATED NET EFFECT ON THE GENERAL REVENUE FUND</b>	<b><u>(\$449,986 to Could exceed \$1,549,986)</u></b>	<b><u>(\$268,036 to Could exceed \$1,588,036)</u></b>	<b><u>(\$478,548 to Could exceed \$1,798,548)</u></b>	<b><u>(\$568,247 to Could exceed \$1,888,247)</u></b>
Estimated Net FTE Change for the General Revenue Fund	0 FTE	0 FTE	1 FTE	1 FTE
<b>OTHER STATE FUNDS</b>				
<u>Loss (\$30.753) Opportunity for higher returns STO – if additional monies are utilized in the Linked Deposit Program p.4-5</u>	<u>\$0 or More or Less than (\$2,333,333)</u>	<u>\$0 or More or Less than (\$2,680,000)</u>	<u>\$0 or More or Less than (\$2,680,000)</u>	<u>\$0 or More or Less than (\$2,680,000)</u>
<b>ESTIMATED NET EFFECT TO OTHER STATE FUNDS</b>	<b><u>\$0 or More or Less than (\$2,233,333)</u></b>	<b><u>\$0 or More or Less than (\$2,680,000)</u></b>	<b><u>\$0 or More or Less than (\$2,680,000)</u></b>	<b><u>\$0 or More or Less than (\$2,680,000)</u></b>
<b>HIGHWAY FUND (0149)</b>				
<u>Revenue –  (§§303.420 to 303.440) Reinstatement fees p.6-10</u>	<u>\$0</u>	<u>\$50,882</u>	<u>\$101,760</u>	<u>\$101,760</u>
<b>ESTIMATED NET EFFECT ON THE HIGHWAY FUND</b>	<b><u>\$0</u></b>	<b><u>\$50,882</u></b>	<b><u>\$101,760</u></b>	<b><u>\$101,760</u></b>

<u>FISCAL IMPACT – State Government (cont)</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
<b>MOTOR VEHICLE FINANCIAL RESPONSIBILITY VERIFICATION AND ENFORCEMENT FUND</b>				
<u>Transfer In – from General Revenue (§§303.420 to 303.440) p.6-10</u>	\$0	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Revenue – (§§303.420 to 303.440) money collected p.6-10</u>	\$0	\$32,900 to \$164,300	\$65,800 to \$328,600	\$65,800 to \$328,600
<u>Cost – DOR to administer program (§§303.420 to 303.440) p.6-10</u>	\$0	(Unknown)	(Unknown)	(Unknown)
<u>Cost – DOR (§§303.420 to 303.440) mailings p.6-10</u>	\$0	(\$63,577)	(\$127,153)	(\$127,153)
<b>ESTIMATED NET EFFECT ON THE MOTOR VEHICLE FINANCIAL RESPONSIBILITY VERIFICATION AND ENFORCEMENT FUND</b>	<b>\$0</b>	<b><u>(Less than \$30,677) to Could exceed \$100,723</u></b>	<b><u>(Less than \$61,353) to Could exceed \$201,447</u></b>	<b><u>(Less than \$61,353) to Could exceed \$201,447</u></b>

<u>FISCAL IMPACT – State Government (cont)</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
<b>MISSOURI OFFICE OF PROSECUTION SERVICES FUND (0680)</b>				
<u>Revenue</u> – MOPS (§§303.420 to 303.440) Fees from diversion program p.11	\$0	Unknown	Unknown	Unknown
<u>Cost</u> – MOPS (§§303.420 to 303.440) Costs to administer program p.11	\$0	(Unknown)	(Unknown)	(Unknown)
<b>ESTIMATED NET EFFECT ON THE MISSOURI OFFICE OF PROSECUTION SERVICES FUND</b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>	<b><u>\$0</u></b>
<b>DIVISION OF FINANCE FUND (0550)</b>				
<u>Revenue</u> – DCI (§§361.020 - 408.500) Increase in annual license fees p. 12-14	\$77,800	\$221,400	\$221,400	\$221,400



<u>FISCAL IMPACT – State Government (cont)</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
<u>Revenue – DCI</u> (§§436.550 to 436.580) Annual & Renewal License Fees p.15-16	\$5,000 - \$7,000	\$5,000 - \$7,000	\$5,000 - \$7,000	\$5,000 - \$7,000
<u>Cost – DCI</u> (§§436.550 to 436.580) Shifting licenses to new Chapter p.15-16	<u>(\$5,000) – (\$7,000)</u>	<u>(\$5,000) – (\$7,000)</u>	<u>(\$5,000) – (\$7,000)</u>	<u>(\$5,000) – (\$7,000)</u>
<b>ESTIMATED NET EFFECT TO THE DIVISION OF FINANCE FUND</b>	<b><u>\$77,800</u></b>	<b><u>\$221,400</u></b>	<b><u>\$221,400</u></b>	<b><u>\$221,400</u></b>

<u>FISCAL IMPACT – Local Government</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
<b>LOCAL POLITICAL SUBDIVISIONS</b>				
<u>Revenue (Cities 15%)</u> (§§303.420 to 303.440) Reinstatement fees p. 6-10	\$0	\$10,176	\$20,352	\$20,352
<u>Revenue (Counties 10%)</u> (§§303.420 to 303.440) Reinstatement fees p. 6-10	\$0	\$6,784	\$13,568	\$13,568

<u>FISCAL IMPACT</u> <u>– Local</u> <u>Government (cont)</u>	FY 2024 (10 Mo.)	FY 2025	FY 2026	Fully Implemented (FY 2028)
<u>Savings –</u> (§30.753) Linked Deposit Participation p.4-5	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown	\$0 or Unknown
<u>Loss – Schools</u> (§§303.420 to 303.430) Decreased in fine revenue for those who choose the diversion program over paying the standard fine p.10- 11	\$0	\$0 or (Unknown)	\$0 or (Unknown)	\$0 or (Unknown)
<b>ESTIMATED NET EFFECT TO LOCAL POLITICAL SUBDIVISIONS</b>	<b><u>\$0 or Unknown</u></b>	<b><u>\$16,960 or Unknown to (Unknown)</u></b>	<b><u>\$33,920 or Unknown to (Unknown)</u></b>	<b><u>\$33,920 or Unknown or (Unknown)</u></b>

FISCAL IMPACT – Small Business

Several provisions of this proposal could impact small businesses.

FISCAL DESCRIPTION

This proposal modifies provisions relating to financial services.

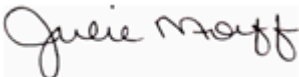
This legislation is not federally mandated, would not duplicate any other program and would not require additional capital improvements or rental space.

SOURCES OF INFORMATION

Attorney General’s Office  
 Department of Commerce and Insurance  
 Department of Corrections  
 Department of Health and Senior Services

Department of Natural Resources  
Department of Public Safety  
Department of Revenue  
Joint Committee on Administrative Rules  
Missouri Department of Agriculture  
Missouri Department of Transportation  
Missouri Office of Prosecution Services  
Office of the Secretary of State  
Office of the State Treasurer  
Office of the State Courts Administrator  
Office of the State Public Defender  
Phelps County Sheriff  
Kansas City Police Department  
St. Louis County Police Department  
St. Joseph Police Department  
City of Kansas City  
City of O'Fallon  
City of Springfield

**NOT RESPONDING:**  
Office of the State Treasurer



Julie Morff  
Director  
May 3, 2023



Ross Strobe  
Assistant Director  
May 3, 2023